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**Via ECFS**

March 30, 2012

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: San Carlos Apache Telecommunications Utility,  
Inc., Annual Report and Certifications Pursuant to  
47 C.F.R. 54.313(a), WC Doc. No. 10-90

Dear Ms: Dortch:

San Carlos Apache Telecommunications Utility, Inc. ("SCATUI"), by its attorney, files the annual report and certifications required by Section 54.313(a) of the Commission's Rules. SCATUI was designated an eligible telecommunications carrier by the Commission pursuant to 47 U.S.C. 214(e)(6) of the Communications Act on February 27, 1998. The Report addresses the subsections of the rule in effect at this time and includes as appendices verification, a certification, and a map. .

If additional information is required, SACATUI will provide it if possible.

In accordance with Section 54.313(i) a copy of this report will be provided to USAC. As a tribally owned carrier, SCATUI will provide a copy of the report to the San Carlos Apache Tribal Government. Please direct any questions in this matter to me.

Sincerely yours

David Cosson  
Attorney for San Carlos Apache  
Telecommunications Utility, Inc.

Attachment: Section 54.313(a) Annual Report

Cc: Alexander Minard, WCB  
Karen Majcher, USAC

## **SAN CARLOS APACHE TELECOMMUNICATIONS UTILITY, INC. ELIGIBLE TELECOMMUNICATIONS CARRIER ANNUAL REPORT**

The following is the annual report for San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company) in compliance with 47 C.F.R. § 54.313(a)(1) through (a)(6).<sup>1</sup> As a tribally owned company, SCATUI is not subject to the jurisdiction of a state regulatory authority. Consequently, SCATUI was designated as an eligible telecommunications carrier (ETC) by the Federal Communications Commission (Commission) under section 214(e)(6) on February 27, 1998.<sup>2</sup> This report contains accurate facts as attested to by Appendix A.

### **§ 54.313(a)(1) Five-Year Service Improvement Plan**

SCATUI is a wireline incumbent local exchange carrier (ILEC) that received its ETC designation in 1998. SCATUI's study area consists of the San Carlos exchange; however, this one exchange covers the entire San Carlos Apache Reservation area (Reservation), approximately 2,854 square miles in Southeastern Arizona. The Company has one wire center (CLLI code PRDTAZ01DSO). A map of the Company's service area is included as Appendix C to this filing.

Since acquisition of the San Carlos exchange from US West in 1998, SCATUI has increased its customer base from 607 customers to over 2,500 residential and business customers<sup>3</sup>. SCATUI has brought quality service and the availability of advanced services to its customers, even though the difficult and mountainous topography, distance between rural communities, and geographically-scattered housing developments significantly increase the expense of constructing, operating, and maintaining reliable communication networks on the Reservation.

Since the initial five year improvement plan was submitted in 2006, the Company has made significant capital investments and network improvements. In just the last five years approximately \$9.5 million in capital investment has been made to benefit SCATUI's customer service and network. SCATUI completed a major fiber project which included the installation of fiber to the premises as existing copper was exhausted or met its useful life, and as new Greenfield areas have been developed. Other capital investments include the installation of equipment site buildings and standby generators, the replacement of NG digital loop carriers with broadband loop carriers, and the replacement of a legacy switch with a softswitch. A copper outside plant project was also completed to increase line capacity on exhausted copper. Flood control improvements to the land were also made to protect the company building and equipment after major flooding damaged the terrain (including the loss of culverts) between the roadway and company building.

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<sup>1</sup> Paragraphs (a)7 through (a)(11) are not addressed because they are awaiting OMB approval.

<sup>2</sup> See *Designation of Fort Mojave Telecommunications, Inc., Gila River Telecommunications, Inc., San Carlos Apache Telecommunications Utility, Inc., and Tohono O'odham Utility Authority as Eligible Telecommunications Carriers Pursuant to Section 214(3)(6) of the Communications Act*, Memorandum Opinion and Order, 13 FCC Red 4547 (CCB 1998.)

<sup>3</sup> Including the tribal government, there are only a small number of business subscribers on the Reservation and the majority of residential customers are Lifeline subscribers. Approximately 72% of the Reservation's residents live at or below the poverty line.



SCATUI was awarded a \$5.2 million grant and \$5.2 million RUS loan through the Broadband Initiatives Program (BIP) to provide FTTP to unserved new communities, a new hospital and multiple doctor facilities, and build new tower sites to provide cell phone and broadband Internet services to residents and emergency service personnel in very remote, unserved areas of the reservation. The process has been ongoing during 2011.

SCATUI's application for RUS funding for facility improvements for existing customers previously reported under preparation has not yet been filed.

SCATUI received \$3,188,952 in high-cost universal service support during calendar year 2011.

The following chart shows SCATUI's actual capital expenditures for 2011. The remainder of USF support was expended to cover operations and maintenance expenses.

<b>CAPITAL EXPENDITURES</b>	<b>2011</b>
<b>Loop facilities</b>	<b>\$24,047</b>
<b>Building and Land</b>	<b>\$99,682</b>
<b>Upgrade and install new DLCs</b>	<b>\$29,225</b>
<b>Vehicles and Equipment</b>	<b>\$41,473</b>
<b>Grand Total</b>	<b>\$194,427</b>

#### **§ 54.313(a)(2) – Outage Information**

In its annual report an ETC is required to provide detailed information on any outage, as the term is defined in 47 C.F.R. §4.5, of at least 30 minutes in duration for each service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 911 special facility.

During the past twelve months, SCATUI experienced no outages of 30 minutes or longer that affected at least 10% of its end users. There is no 911 special facility in the SCATUI study area.

#### **§ 54.313(a)(3) – Unfilled Service Requests**

At the end of 2011, SCATUI had sixteen (16) unfilled service requests. All unfilled requests are in a new subdivision where there was no in ground infrastructure. Service to the new subdivision is part of a FTTP project funded through BIP, as described above. A shortage of fiber delayed the planned installation; however, the conduit has been installed and by the end of 2011 construction of fiber outside plant was continuing. Construction is expected to be completed by the end of 2012.

#### **§ 54.313(a)(4) – Customer Complaints**

During the past year (2011), there were no customer complaints filed with the Commission. During 2011 SCATUI received an average of twenty-four trouble reports monthly per 1,000 access lines.

#### **§ 54.313(a)(5) – Service Quality and Consumer Protection Certification**

As a company owned by the San Carlos Apache Tribe, it is reasonable that SCATUI operates under service quality standards and customer protections that are in the best interest of its customers, who are mostly members of the Tribe. The rates, terms and conditions under which SCATUI operates are outlined in its Local Exchange Tariff which was modeled after the tariffs of state regulated small rural ILECs, although SCATUI itself is not regulated by the Arizona Corporation Commission (ACC). SCATUI modifies its tariff from time to time with approval of, or at the request of the Tribal Council. The Company's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Company, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on SCATUI's website [www.scatui.net](http://www.scatui.net).

Service quality standards are established by the SCATUI Board of Directors with a Tribal Council liaison sitting on the Board. Monthly reports on service quality compliance are provided to the Board, with periodic updates to the Tribal Council.

Certification that the Company is complying with applicable service quality standards and consumer protection rules is included as Appendix B.

#### **§ 54.313(a)(6) – Ability to Remain Functional in an Emergency Situation**

SCATUI's network is designed to remain functional in an emergency situation. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored, so long as fuel is available. The network is capable of managing traffic spikes resulting from emergency situations.

SCATUI has a restoration plan in place to restore any disruption in service expeditiously, including splicing of damaged facilities when warranted. SCATUI has installed three Sonet fiber rings that increase the survivability of its network. Implementation of the rings allows SCATUI to maintain service to its remote electronic sites in the event of a fiber outage, making SCATUI's network efficient, economical, and reliable.

Certification that the Company is able to function in emergency situations is included as Appendix B.

VERIFICATION

I, Steven Kramer, do hereby declare under penalty of perjury as follows: I have read the foregoing report and to the best of my knowledge and belief, the facts stated therein are true.

San Carlos Apache Telecommunications Utility, Inc.

A handwritten signature in dark ink, appearing to read "Steven Kramer", is written over a horizontal line.

Steven Kramer  
Controller

March 30, 2012

Certifications Pursuant to §54.313

I, Steven Kramer, do hereby declare, to the best of my knowledge and belief, under penalty of perjury the following:

1. San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company) complies with service quality standards and consumer protection rules as initially agreed upon by the San Carlos Tribal Council and as provided in the Company's tariffs.
2. SCATUI is able to function in emergency situations. SCATUI has a reasonable amount of back-up power to ensure functionality without an external power source, and is capable of managing traffic spikes. SCATUI has the ability to reroute traffic around damaged facilities due to the installation of three Sonet fiber rings and there is a restoration plan in place for the expeditious recovery of service.

San Carlos Apache Telecommunications Utility, Inc.

  
Steven Kramer, Controller

March 30, 2012

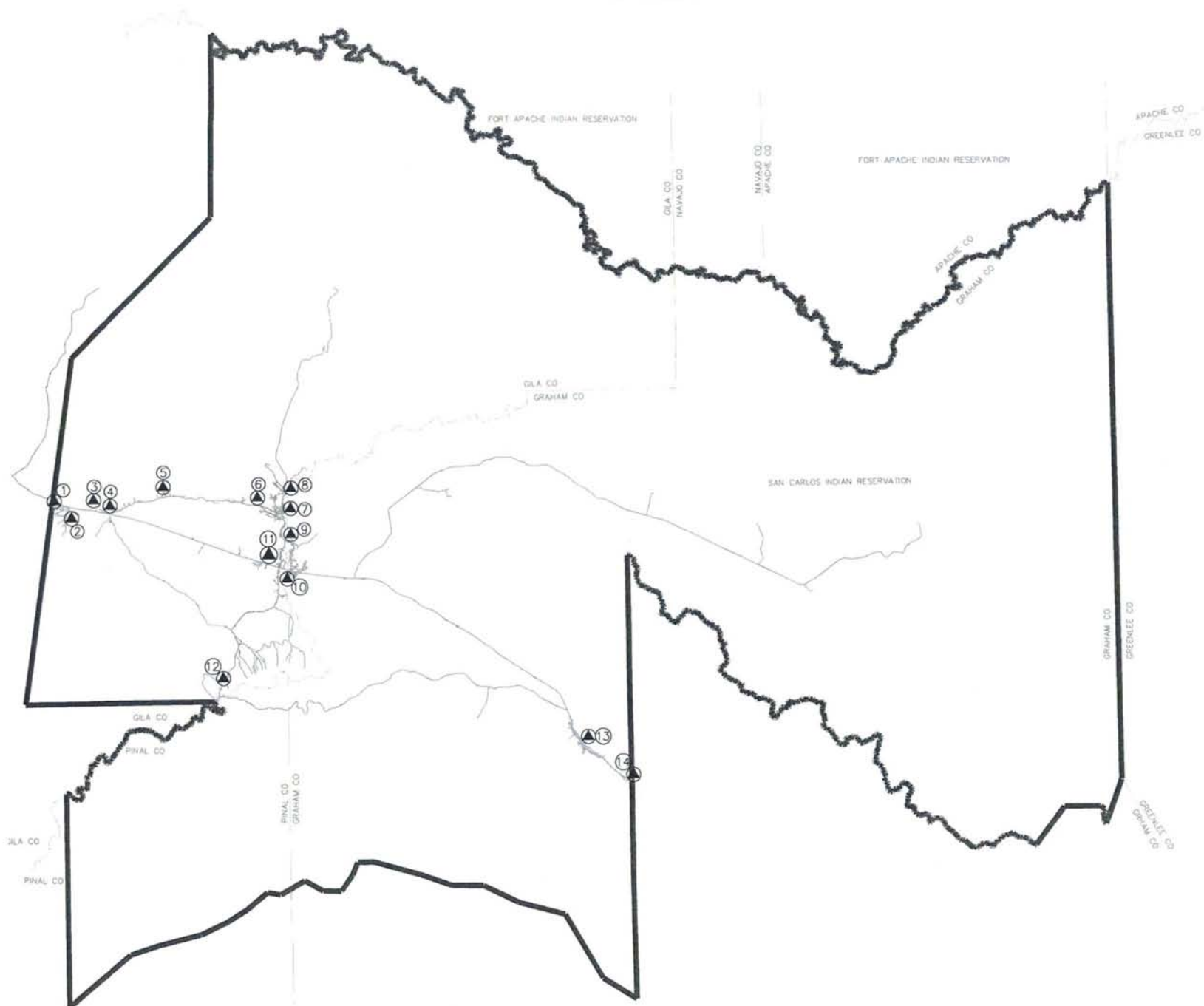
## APPENDIX C

### EXCHANGE AREA MAP DESCRIPTION

The numbered circles with triangles are locations at which SCATUI has transfer nodes for its network. The names of the locations generally relate to the community or subdivision name with the exception of #11, the central office at Peridot. The main highway through the San Carlos Apache Reservation is U.S. 70, which runs from #1 (West Boundary) to #14 (East Boundary). The nearest population center outside the Reservation is Globe, AZ (population 6,000) a few miles to the west of #1.



# APPENDIX C



## General Notes

1. West Boundary
2. Beverly Hills
3. Casino
4. Cutter
5. Skill Center
6. Detention Center
7. North San Carlos
8. Airport 79
9. Again Bridge
10. Moonbase
11. C.O.
12. Coolidge Dam
13. Bylas
14. East Boundary

Drawn By: ATH

File: \Exchange Map.dwg



No.	Revision/Issue	Date

Made By:

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# SCATUI

Project	AZ 512	Sheet
Date	09/18/06	
Scale	N.T.S.	